

Internal Audit - Draft Internal Audit Plan 2015/16

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REASON FOR ITEM

The Council's Internal Audit (IA) Plan details the planned IA activity for the forthcoming financial year and seeks to:

- Provide all IA key stakeholders with independent assurance that the risks within the Council's fundamental systems and processes are being effectively managed;
- Allow the Council to demonstrate it is complying with the relevant legislation and applicable professional standards;
- Demonstrate the Council's commitment to good governance and compliance with the UK Public Sector IA Standards (PSIAS); and
- Set out that IA resources are being properly utilised.

OPTIONS AVAILABLE TO THE COMMITTEE

The Audit Committee is asked to consider the draft IA Plan for 2015/16 and, subject to any further minor amendments, approve it.

INFORMATION

The outcomes from the work proposed in the 2015/16 IA Plan underpin the Head of IA's statutory annual opinion statement. This opinion concludes on the overall adequacy and effectiveness of the Council's internal control, risk management and corporate governance arrangements. It also supports the Council's Annual Governance Statement which forms part of the statutory financial statements.

In 2015/16 the IA service at Hillingdon will continue to apply a fully risk-based approach to its coverage. This means that IA gives greater assurance to the Council because it is closer aligned to the key risks to the achievement of the Council's objectives. As a result, we will not just be commenting on whether the controls operate, but whether they are the right controls to achieve the overall aims of the service. In order to deliver this assurance it is vital for the organisation to have a comprehensive IA Plan which gives sufficient risk-based coverage and support to management. To help meet this need, the risk-based IA Plan for 2015/16 has been linked to the organisational objectives and strategic priorities, whilst also taking account of the Council's wider assurance framework.

In preparing the draft 2015/16 IA Plan, we have carried out a risk assessment exercise which has involved consideration of risk registers, reviewing Committee and Hillingdon Improvement Plan (HIP) reports as well as reports from external inspectorates (e.g. Ofsted). Further, the IA Plan has been developed in accordance with the 2015/16 IA

Charter and the IA Strategy for the 2015 to 2020 period. We have also consulted with External Audit and all senior managers in addition to considering legislative updates, as well as exercising our own professional judgement.

The ongoing transformational work across the Council results in a fast changing control environment and in response to this we have introduced a revised method to IA planning in 2015/16. The new approach now provides for a high-level estimation of planned work during the year with detailed operational IA Plans being produced and agreed by CMT and Audit Committee on a quarterly basis. Where requests for work are not urgent, they will form part of the following quarter's operational IA Plan. This allows for greater flexibility in IA coverage of new and emerging risks, which supports the continuously changing risk profile of the Council. This new approach should also help ensure that IA resources are directed in a more targeted manner to maximise the benefit to our stakeholders.

LEGAL IMPLICATIONS

There are no legal implications arising directly from this report.

BACKGROUND PAPERS

The IA service holds various background research papers in relation to the IA Plan.